

2011-2012 PERFORMANCE PLAN – Portfolio Manager, Operations, Performance and Technology (M. Flynn)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
10%	Total Fund Performance	Return deviation in basis points relative to: Total Fund performance versus Total Fund benchmark {SJ1CA1 – CPERSTO2IC} *Cost-adjusted Benchmark	-13 basis points = 0 +13 basis points = 1.0 27 basis points = 1.5
15%	Operational Excellence - Straight Through Processing (STP)	In order to reduce operational risk in trade processing and settlement, achieve absolute percentage targets for straight through processing performance. Measurement: Omgeo Benchmarking/Quality Control, Same Day (trade date) Affirmation Rate	90 percent = 0 93 percent = 1.0 95 percent = 1.5
25%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Service Provider Management Program	Develop and implement the service provider management program identified within INVO's Target Operating Model for critical INVO technology and service provider relationships. <ul style="list-style-type: none"> By March 31, 2012 receive approval from the COIO for a service provider management program that covers the State Street, Blackrock, Charles River Development, AREIS, Private Edge and IFS. By June 30, 2012 implement the service provider management program. 	From Schedule
10%	Quarterly Performance Report (QPR) for Real Assets	Receive COIO approval for a new Quarterly Performance Report (QPR) for Real assets <ul style="list-style-type: none"> By September 30 2012, present proposal to COIO and SIO Real Assets By December 31, 2012, receive COIO approval. 	From Schedule
10%	Real Assets Appraisal Management	Design and receive approval for the operating structure necessary to support the Real Assets appraisal management needs. <ul style="list-style-type: none"> By September 30, 2011, receive approval from COIO for the appraisal management structure By October 31, 2011, present agenda item to the INVO Operating Committee requesting approval to release an RFP for appraisal management services By January 31, 2012, release an RFP for appraisal management services 	From Schedule

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
15%	Private Equity Valuation	<p>Receive COIO approval for a private equity valuation oversight model.</p> <ul style="list-style-type: none"> By March 31, 2012, present valuation model to COIO By June 30, 2012, receive approval from COIO to implement private equity valuation model 	From Schedule
15%	Public Markets Portfolio Management System (PM2)	By June 30, 2012, complete implementation of the operational and data phases of the PM2 system.	From Schedule
10%	Leadership	<p><u>Enterprise-wide Leadership and Management</u></p> <p>By June 30, 2012, achieve improvements in enterprise management by:</p> <ul style="list-style-type: none"> Maintaining an average position vacancy rate of 5% or less through the fiscal year 2011-12. Ensure all Form 700 Statements of Economic Interest are filed by scheduled employees by the mandated due date of April 1, 2012. Ensure all scheduled employees complete the legally mandated AB 1234 ethics training by June 30, 2012. Maintain a 90% EPAD completion rate. Address and resolve all outstanding audit findings within 12 months of audit report. Dedicate 2 hours per month for Employee Recognition during the year through fiscal year 2011-12. Ensure 100 percent compliance using the new diversity and inclusion performance factor in annual manager and supervisor performance reviews. Complete the Executive D&I Development Journey course, including completion of all pre- and post-session work assignments. Conduct at least two direct report team sessions on diversity and inclusion awareness. Effectively manage all Operational resources within prescribed budget limits. Conduct direct report sessions on renewal of our core values and guiding behaviors to ensure that we are adhering to these convictions at least once a quarter <p><u>Investment Office Leadership and Management</u></p> <p>By June 30, 2012, contribute to the value creation, capacity building, and organization support for the Investment Office by:</p> <ul style="list-style-type: none"> Strengthening and reinforcing a value driven culture that fosters accountability, transparency, and integrity. Participating in training, communication, and recognition activities and events. 	From Schedule

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
	Leadership, cont.	<u>Team Participation – Cross Asset Class Collaboration</u> By June 30, 2012, participate in and support cross asset class initiatives, such as the Investment Office Roadmap, Investment Strategy Group, Investment Proposal Tracking System, Operating Committee, and technology steering committees to improve investment performance, cost effectiveness, and manage risk.	
75%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	

Incentive Schedule

Total Fund: FY 2012-13: target 0/20/30